

# FINAL BILL REPORT

## ESB 6100

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Synopsis as Enacted

**Brief Description:** Establishing an economic gardening pilot program.

**Sponsors:** Senators Chase, Brown, Angel, Hatfield, Ericksen and McCoy.

**Senate Committee on Trade & Economic Development**

**Senate Committee on Ways & Means**

**House Committee on Technology & Economic Development**

**House Committee on General Government & Information Technology**

**Background:** Economic gardening programs provide strategic technical assistance to grow currently existing small- to medium-sized businesses. Examples of strategic economic gardening services include market research, website search engine optimization, developing social media strategies, and using geographic information systems. Economic gardening began in Littleton, Colorado in 1987 after the community's largest employer laid off several thousand workers. Rather than recruit new companies to the area, the community encouraged the growth of companies in the community. Several states operate economic gardening programs including Colorado, Michigan, Florida, and Wyoming. Recently, the Tri-City Regional Chamber in Washington entered into an economic gardening pilot program. The National Center for Economic Gardening, part of the Michigan-based Edward Lowe Foundation, partners with local organizations to assist with the pilot program.

**Summary:** An economic gardening pilot program is established in the Department of Commerce (Department) to provide strategic business assistance services to second-stage companies. Second-stage companies must employ at least six but no more than 99 persons and have annual gross revenue between \$500,000 and \$50 million. Strategic economic gardening assistance includes market research, business modeling, identifying qualified sales leads, and assisting with innovation strategies.

The Department must work with chambers of commerce, associate development organizations, or other economic development organizations to implement the pilot project. Economic development organizations participating in the pilot project must be certified in economic gardening by an entity with experience providing strategic assistance to second-stage companies. Before December 1, 2016, the Department must compile a list of interested parties, deliver the list to the Legislature, and select from the list the entity it deems best able to deliver training and strategic assistance services to second-stage companies. The

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Department or participating economic development organizations may also contract with national specialists in the industries of the selected companies for the pilot project.

The Department and participating economic development organizations must publish criteria for selecting up to 20 companies to participate in the project. Companies seeking to participate in the pilot program must pay a one-time fee of \$750 that must be deposited in the newly created Economic Gardening Pilot Project fund to be used for administering the pilot project. Before November 1, 2017 and annually through November 1, 2019, the Department must submit a report to the economic development committees of the Legislature regarding the services provided, jobs created, and increased sales and services generated as a result of the pilot project. The pilot project expires July 1, 2020.

**Votes on Final Passage:**

Senate	45	1	
House	67	29	(House amended)
Senate	44	4	(Senate concurred)

**Effective:** June 9, 2016